

JOINT SPECIAL MEETING MINUTES

**BROKEN ARROW CITY COUNCIL
AND
BROKEN ARROW BOARD OF EDUCATION**

**CENTRAL ON MAIN
210 NORTH MAIN STREET
BROKEN ARROW, OKLAHOMA 74012
April 19, 2010**

5:00 PM

1. Call to Order

Section Minutes: Mayor Lester called the Broken Arrow City Council to order at 5:06 p.m.

2. Roll Call

Present:	Jill Norman, Craig Thurmond, Wade McCaleb and Mike Lester
Absent:	Richard Carter

Section Minutes: The Broken Arrow School Board Roll was called and the following members were in attendance:

Mrs. Sharon Whelpley

Mrs. Shari Wilkins

Mrs. Cheryl Kelly

Mr. Terry Stover

Mr. Jerry Denton was absent but joined the meeting later.

3. Pledge of Allegiance to the Flag

4. Presentation, joint discussion, consideration and possible action on the possible establishment of a Tax Increment Financing District for the FlightSafety project.

Section Minutes: David Wooden, City Manager-City of BA addressed both the City Council and Board of Education. He began his presentation by defining Tax Increment Financing (TIF).

He said TIF districts can benefit school districts. He pointed out recent investment returns for the City on successful projects including the Bass Pro Shops area and Target Area/Adams Park Area.

He reminded that FlightSafety is the largest private employer in the City of BA. They have been considering leaving the city of BA which would result in a loss of 680 direct jobs and up to 1788 jobs in the regional economy. The State Dept. of Commerce place the impact of FlightSafety on the regional economy at a loss of \$125-million per year. Keeping FlightSafety in BA is why the City of BA is considering a TIF. Mr. Wooden said losing FlightSafety would be a major blow to the economy.

He then showed a map defining the proposed TIF district. He next showed the proposed site plan for the new FlightSafety location. He pointed out that FlightSafety is currently in the Union School District while the new building would be in the Broken Arrow School District. He said there would be little change in taxes in the TIF district without the proposed TIF District given there has been little change over the last 20 years.

He said the City will include sales tax generated by any new business in the TIF area to pay off bonds. He said duration of the TIF if just for FlightSafety would be until debt is retired but no more than 15 years. He concluded the School District Tax base will continue to expand with the TIF. He concluded that without the TIF, the School District Tax Base will expand slower due to loss of FlightSafety, their employees, and their suppliers.

He posed the question, "Why consider a downtown TIF instead of a FlightSafety only TIF?" He said the city must take action if there is ever going to be development in downtown. He said adding downtown to the equation would increase the time of the TIF to 25 years.

He pointed out that the city will lease land to three restaurants on north end of the project site with potential sales tax income of \$150,000 per year-this sales tax would be added to TIF bond payment.

He said Downtown Advisory Board and Downtown Merchants Association would serve as the guiding force for a downtown TIF. He said City Council with input from School Board would have final project approval (right of refusal on projects for school district).

He said downtown TIF projects under consideration are establishing a building renovation fund and establishing an incentive fund to convince businesses to move downtown.

He said next steps would be an agreement between the School District and the City on the type of TIF to be established; preparation of legal documents establishing the TIF; TIF committee meets and recommends TIF to City Council for approval; a combined public relations campaign by City and School Elected officials and the chamber of commerce in support of the TIF; sale of required bonds for FlightSafety and other projects if approved.

Mr. Wooden said FlightSafety’s goal was to expand to 1000 employees.

Mrs. Kelly asked if there were expansion plans for the TIF to incorporate the area north of 71st Street and East of Elm, an area basically behind Northside Christian Church over to Kenwood Hills. Mr. Wooden said it was his understanding that the School District wanted the TIF area as small as possible. He said if the School Board wanted to expand the TIF area, he thought it would be great.

Mrs. Whelpley asked about legal guarantees for length of TIF. Mr. Wooden said school lawyers would be able to participate in developing the language of the TIF. Mrs. Whelpley asked if the Economic Development Corporation would be included.

Mr. Wooden said EDC role would be recruiting the people to go into the TIF area.

Dr. Gerber asked if Chamber committees and sub committees and “Build a Better Broken Arrow” group would participate. Mr. Wooden said yes. Dr. Gerber asked if projects funded by the TIF could also be school projects. Mr. Wooden said yes.

Mayor Lester said the purpose of a TIF is to take an area that won’t otherwise develop and get it to start developing. He said in order to benefit the school district it would make more sense to keep the TIF in as tight of an area as possible.

Chamber member Joe Cook (resident of BA) asked about the percentage or amount of ad valorem collected that would go to the school district. Mr. Wooden said it would be 65 percent of the number. Mr. Cook then asked when did or when will the downtown advisory board have input. Mayor Lester said the city must get approval from the school board first before bringing in other entities.

Broken Arrow School Board action was conducted as follows by the BA School Board Secretary:

RECOMMENDATION: Approve

ORIGINAL - Motion

Member (Mr. Terry Stover) Moved, Member (Mrs. Cheryl Kelly) seconded to approve the ORIGINAL motion 'Approve'. Upon a roll call vote being taken, the vote was: Yes: 5 No: 0. The motion CARRIED. 5 – 0

The Broken Arrow City Council took no action and none was required.

5. Adjournment

Section Minutes: The Broken Arrow City Council adjourned at 5:45 p.m.

Motion:	Move to adjourn
Motion by:	Wade McCaleb
Second by:	Craig Thurmond
Ayes:	Wade McCaleb, Craig Thurmond, Jill Norman, Mike Lester
Nays:	None

The Broken Arrow School Board adjourned at 5:45 p.m. The School Board adjournment was conducted as follows by the BA School Board Secretary:

RECOMMENDATION: Approve

Motion was made and seconded to adjourn the meeting at 5:45 p.m.

ORIGINAL - Motion

Member (Mr. Terry Stover) Moved, Member (Mrs. Cheryl Kelly) seconded to approve the ORIGINAL motion 'Approve'. Upon a roll call vote being taken, the vote was: Yes: 5 No: 0. The motion CARRIED. 5 – 0

Broken Arrow City Council:

Mayor

Attest:

City Clerk